GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2014
ANSWERED ON:05.08.2005
SERVICE TAX ON EXPORT OF FRUITS VEGETABLES
Aaron Rashid Shri J.M.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have imposed service tax on export of fruits and vegetables;

(b) if so, whether this will have adverse impact on the Indian Economy and the traders; and

(c) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTERY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a), (b) and (c): Service tax is not leviable on export of fruits and vegetables. However, Government had received representations from various exporters, including exporters of fruits and vegetables, to exempt all exports from the levy of service tax on the taxable service of transport of goods by aircraft. Considering these representations, Government, vide notification No. 29/2005-Service Tax, dated 15th July, 2005, have fully exempted transport of export goods by aircraft from the levy of service tax.